

IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

MICHAEL J. QUILLING, as Receiver  
for Megafund Corporation and  
Lancorp Financial Group, LLC

Plaintiff,

VS.

GARY McDUFF, ET AL.

Defendants.

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NO. 3-06-CV-0959-L

**SHOW CAUSE ORDER**

Plaintiff Michael J. Quilling, as Receiver for Megafund Corporation and related entities, has filed a motion for a turnover over enforcing a constructive trust and directing the sale of certain real property located at 1318 Minchen Drive, Deer Park, Texas ("Deer Park Property"). This motion arises out of a \$304,272.58 judgment entered against Gary McDuff, Individually and d/b/a Southern Trust Company, on January 23, 2007. As part of the judgment, the court found that McDuff purchased the Deer Park Property "with investor funds obtained through an illegal *Ponzi* scheme" and imposed a constructive trust on the property and any improvements thereon. *See* Judgmt., 1/23/07 at 1. Although McDuff has appealed the judgment, he has not posed a supersedeas bond. The Receiver therefore seeks a turnover over enforcing the constructive trust and directing the sale of the Deer Park Property for the benefit of the Megafund Receivership Estate.

A show cause hearing is set for **May 4, 2007** at **9:00 a.m.** before U.S. Magistrate Judge Jeff Kaplan, 1100 Commerce Street, 16th Floor, Dallas, Texas. Gary McDuff is ordered to attend this hearing, then and there to show cause why a turnover order should not issue as requested by the

Receiver. A written response to the turnover motion is not required. However, McDuff may file a response by **April 30, 2007**. No other pleadings will be allowed without leave of court.

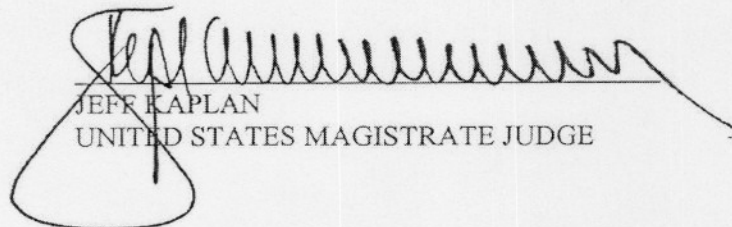
The district clerk shall serve a copy of this show cause order on Gary McDuff at the following address by certified mail, return receipt requested, and by regular mail:

Gary McDuff  
1318 Minchen Drive  
Deer Park, Texas 77536

The Receiver is directed to attempt personal service of this show cause order on Gary McDuff. The court will not issue a turnover over against the Deer Park Property unless McDuff is personally served with a copy of this show cause order or the Receiver can establish that he had actual notice of the show cause hearing. Proof of service must be filed with the district clerk before any relief is granted.

SO ORDERED.

DATED: April 9, 2007.

  
JEFF KAPLAN  
UNITED STATES MAGISTRATE JUDGE